



Klein Votes for Housing Reforms to Address Foreclosure Crisis

Washington, DC – Congressman Ron Klein (FL-22) today joined a majority of his colleagues to pass the Helping Families Save Their Homes Act (H.R. 1106). This legislation puts more families into affordable mortgages by protecting lenders from lawsuits for reasonable loan modifications and strengthening the Federal Housing Administration's Hope for Homeowners program.

The bill helps responsible families refinance into lower-cost mortgages by allowing interest payments to be reduced and lowering the fees paid by borrowers and lenders. H.R. 1106 also creates new incentives for lenders to voluntarily negotiate with homeowners as an alternative to foreclosure, including providing \$1,000 payments to servicers for each successful refinance of existing loans.

"Addressing our foreclosure crisis is absolutely essential to getting our economy back on track, and we must work to precisely target relief to the hard-working families who need it most," Klein said. "In our difficult economic climate, responsible families are in danger of foreclosure, causing neighborhoods throughout our community to struggle. Today, we have taken a real step towards keeping these families in their homes."

The Center for Responsible Lending predicts that today's legislation will prevent over 3,500 foreclosures in Klein's Congressional district alone, and over 100,000 in the state of Florida. Each foreclosed home reduces nearby property values by as much as 9 percent.

Other critical provisions in today's legislation include:

- Helping military veterans avoid foreclosure by allowing the Department of Veterans' Affairs, along with other agencies, to guarantee or insure mortgage loans after they are modified.
- Making permanent the increase in FDIC insurance to \$250,000 per bank account to provide a boost of confidence and allow Americans to be sure their money is safe and secure.

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